

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF HENDERSON COUNTY)	
WATER DISTRICT, HENDERSON AND WEBSTER)	
COUNTIES KENTUCKY, FOR AUTHORITY TO)	CASE NO. 89-095
ISSUE CERTAIN SECURITIES AS REQUIRED)	
BY KRS 278.300)	

O R D E R

On April 21, 1989, Henderson County Water District ("Henderson") filed its application for authority to issue refunding revenue bonds in an aggregate principal amount of \$1,040,000. The proceeds of these bonds would be used to retire the Farmers Home Administration ("FmHA") debt pursuant to the FmHA Discount Purchase Program.

On May 5, 1989, Henderson filed a revised refunding analysis, which determined the net present value savings to be \$218,136. Henderson assumed that all the savings would be received at the end of the proposed 25-year debt repayment period. The Commission has determined that the net present value savings should total approximately \$165,155 based upon the proposed annual savings over 37 years.

The Commission, having considered the evidence of record and being advised, is of the opinion and finds that the issuance and sale of the above securities by Henderson are for lawful objects within the corporate purposes of Henderson's utility operations. The above-described transaction is necessary, appropriate, and

consistent with the proper performance of Henderson's service to the public, and will not impair its ability to perform that service.

IT IS THEREFORE ORDERED that:

1. Henderson be and it hereby is authorized to issue refunding bonds with an aggregate principal amount not to exceed \$1,040,000.

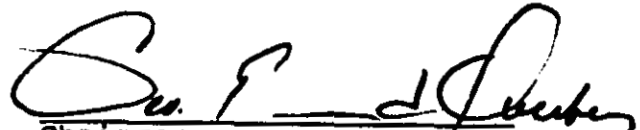
2. Henderson shall, as soon as reasonably possible after the issuance of the securities referred to herein, file with the Commission a statement setting forth the date or dates of issuance of the securities authorized herein, the price paid, the interest rate, the purchasers, and all fees and expenses, including underwriting discounts or commission or other compensation, involved in the issuance and distribution.

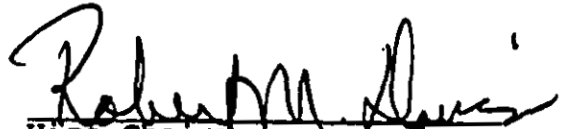
3. The proceeds from the transactions authorized herein shall be used only for the lawful purposes as set out in the application.

Nothing contained herein shall be construed as a finding of value for any purpose or as a warranty on the part of the Commonwealth of Kentucky or any agency thereof as to the securities authorized herein.

Done at Frankfort, Kentucky, this 9th day of May, 1989.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director